Meidi-Ya Co Ltd, Japan & Anor v Meidi (M) Sdn Bhd

FEDERAL COURT (PUTRAJAYA) — CIVIL APPEAL NO 02–8 OF 2007(W)
ARIFIN ZAKARIA CJ(MALAYA), AUGUSTINE PAUL AND ZULKEFLI FCJJ
4 DECEMBER 2008

Civil Procedure — Appeal — Appeal to Federal Court — Framing of questions for determination by Federal Court, nature and manner of — Principles enunciated in Joceline Tan Poh Choo & Ors v V Muthusamy [2008] 6 MLJ 621, *application of — Courts of Judicature Act 1964 s 96(a)*

In this appeal and cross-appeal involving a trademark dispute, the Federal Court had to determine whether the questions framed for appeal pursuant to s 96(a) of the Courts of Judicature Act 1964 ('CJA') had been properly framed, in the light of the principles enunciated in *Joceline Tan Poh Choo & Ors v V Muthusamy* [2008] 6 MLJ 621 (FC). The framed questions pursued on appeal were as follows: (i) whether the use of the name and trade mark 'Meidi-Ya' by the appellants in Malaysia entitled them to the sole ownership of the said trade mark (question 1); (ii) whether the respondent ought in law to have been allowed to register Trade Mark Application No 86/05265 (question 2); (iii) whether having found that the appellants were entitled to register their trade mark applications comprising the trade marks 'Meidi-Ya' and were thereby owners thereof in Malaysia, it was permissible in law to have allowed the respondent to register its trade mark application which comprised the 'Meidi-Ya' trademark, albeit in a different font (question 3); (iv) whether in determining the ownership of a trademark or the goodwill and reputation in a business in Malaysia today, consideration solely of international reputation and/or 'spillover reputation and goodwill' was sufficient (question 6); and (v) whether it was permissible under the law of passing off, for two separate and independent parties to use a trademark in Malaysia comprising an identical essential feature and/or features which were confusingly similar in respect of the same description of goods in circumstances, when one had commenced use prior to the other and/or where there was a likelihood of confusion (question 7).

Held, dismissing the appeal and cross-appeal:

(1) With regard to question 1, the Court of Appeal had determined that the

appellants were not the first users of the trademark 'Meidi-Ya' in Malaysia. The Court of Appeal's determination was contrary to what was stated in the question. The question sought a reversal of the finding of fact made by the Court of Appeal. The question was not couched in such a manner as to incorporate a point of law that would of reverse the finding of first user made by the Court of Appeal, without any further evaluation of the evidence. The question was also based on a mistaken assumption that the appellants were the first users of the trademark 'Meidi-Ya'. The question was academic and did not come within the meaning of s 96(a). Thus there was no need to answer the question (see para 13); *Joceline Tan Poh Choo & Ors v V Muthusamy* [2008] 6 MLJ 621 (FC) followed.

(2) The appellants, through question 2 were attempting to reverse the findings of fact of the Court of Appeal by seeking a review of those findings by the Federal Court. Thus, question 2 did not also come within the meaning of s 96(a) and ought not be answered (see para 14).

(3) Question 3 did not flow from the judgment of the Court of Appeal and was therefore irregular. The question was also very general in nature. The generality of the language of the question imposed a burden on the court to ascertain the reason for which the same trademark was allowed to be used by the two entities and decide on their legality. Alternatively, it required the Federal Court to ignore the reasoning of the Court of Appeal in having made the order and proceed on its own to make a decision afresh. The question ought to have been so worded that it was specific and precise to reflect the reason or ground upon which the orders were made by the Court of Appeal and the point of law involved which had the effect of invalidating the reason or ground. Only then could the question be said to be the basis of an appeal from the judgment or order of the Court of Appeal within the meaning of s 96(a). In the circumstances, question 3 did not come within the scope of s 96(a) and need not be answered (see para 16).

(4) By question 6, the appellants were hoping to get a ruling from the Federal Court to extend the current changing trend in the law — that it is not necessary to have a place of business and to have goods sold in a particular territory in order to enjoy reputation in the said territory — to Malaysia, ignoring the case of *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 followed by the Court of Appeal. However, it has been held that in applications for the registration of a trademark, the rights of the parties are to be determined as at the date of the application. Therefore, even if the question was answered in favour of the appellants it would not have been of any assistance to them. Since the answer to the question would be only of academic value, there was no need to answer it (see para 17).

(5) Question 7 was defective as it was based on assumed state of affairs which was inconsistent with a specific finding of the Court of Appeal. The question did not come within the scope of s 96(a) and need not be answered (see para 18).

[Bahasa Malaysia summary

Di dalam rayuan dan rayuan balas ini yang melibatkan pertelingkahan tanda dagangan, Mahkamah Persekutuan perlu memutuskan sama ada soalan-soalan yang dirangka untuk rayuan menurut s 96(a) Akta Mahkamah Kehakiman 1964 ('AMK') telah dirangka dengan betul, menurut prinsip-prinsip dalam kes *Joceline Tan Poh Choo & Ors v V Muthusamy* [2008] 6 MLJ 621 (MP). Soalan-soalan yang dirangka untuk rayuan adalah seperti berikut: (i) sama ada kegunaan nama dan tanda dagangan 'Meidi-Ya' oleh perayu-perayu di Malaysia memberi hakmilik tunggal kepada mereka ke atas tanda dagangan tersebut (soalan 1); (ii) sama ada responden perlu di dalam undang-undang dibenarkan untuk mendaftar Permohonan Tanda Dagangan No 86/05265 (soalan 2); (iii) sama ada setelah mengetahui bahawa perayu-perayu adalah berhak untuk mendaftar tanda dagangan mereka yang mengandungi tanda dagangan 'Meidi-Ya' dan oleh itu menjadi pemiliknya di Malaysia, ia adalah dibenarkan dalam undang-undang untuk membenarkan responden mendaftar permohonan tanda namanya yang mengandungi tanda nama 'Meidi-Ya', walaupun di dalam *font* yang berbeza (soalan 3); (iii) sama ada di dalam menentukan pemilikan tanda dagangan atau nama baik dalam sesuatu perniagaan di Malaysia hari ini, pertimbangan mengenai reputasi antarabangsa semata-mata dan/atau 'limpahan reputasi dan nama baik' adalah mencukupi (soalan 6); dan sama ada ia dibenarkan di dalam undang-undang kelirupaan, untuk dua pihak berasingan dan bebas untuk menggunakan tanda dagangan di Malaysia yang mengandungi sifat penting yang sama dan/atau sifat yang serupa yang mengelirukan berkaitan penjelasan sama barangan dalam keadaan, apabila satu pihak telah mula menggunakannya sebelum pihak yang lain dan/atau kemungkinan terdapat kekeliruan (soalan 7).

Diputuskan, menolak rayuan dan rayuan balas:

(1) Berkenaan soalan 1, Mahkamah Rayuan telah menentukan bahawa perayu-perayu bukanlah pengguna pertama tanda dagangan 'Meidi-Ya' di Malaysia. Penentuan Mahkamah Rayuan adalah bercanggah dengan apa yang dinyatakan di dalam soalan tersebut. Soalan tersebut memohon untuk pengakasan dapatan fakta oleh Mahkamah Rayuan. Soalan tersebut tidak diolah dengan cara seperti untuk memasukkan satu poin undang-undang yang boleh mengakaskan dapatan mengenai pengguna ertama yang dilakukan oleh Mahkamah Rayuan, tanpa

penilaian lanjut ke atas keterangan. Soalan tersebut juga berdasarkan ke atas tanggapan salah bahawa perayu-perayu adalah pengguna pertama tanda dagangan 'Meidi-Ya'. Soalan tersebut adalah akademik dan tidak terangkum di dalam maksud s 96(a). Oleh itu tidak perlu untuk menjawab soalan tersebut (lihat perenggan 13); *Joceline Tan Poh Choo & Ors v V Muthusamy* [2008] 6 MLJ 621 (MP) diikut.

(2) Perayu-perayu, melalui soalan 2 mencuba untuk mengakaskan dapatan-dapatan fakta Mahkamah Rayuan dengan memohon penyemakan dapatan-dapatan tersebut oleh Mahkamah Persekutuan. Maka, soalan 2 juga tidak terangkum di dalam maksud s 96(a) dan tidak perlu dijawab (lihat perenggan 14).

(3) Soalan 3 tidak berpunca daripada penghakiman Mahkamah Rayuan dan oleh itu tidak tetap. Soalan terebut juga bersifat umum. Sifat umum bahasa soalan tersebut meletakkan beban ke atas mahkamah untuk memastikan alasan di mana tanda dagangan yang sama dibenarkan untuk digunakan oleh kedua-dua entiti tersebut dan memutuskan atas kesahannya. Secara alternatif, ia memerlukan Mahkamah Persekutuan untuk tidak menghiraukan alasan Mahkamah Rayuan dalam membuat arahan tersebut dan meneruskan dengan sendirinya untuk membuat keputusan baru. Soalan tersebut perlu diolah secara jelas membuatkannya spesifik dan tepat untuk membayangkan atas sebab atau alasan mana arahan tersebut dibuat oleh Mahkamah Rayuan dan poin undang-undang yang terlibat yang mempunyai kesan membatalkan sebab atau alasan tersebut. Hanya selepas itu soalan tersebut boleh dikatakan menjadi asas satu rayuan daripada penghakiman atau arahan Mahkamah Rayuan dalam maksud s 96(a). Dalam keadaan ini, soalan 3 tidak terangkum di dalam skop s 96(a) dan tidak perlu dijawab (lihat perenggan 16)

(4) Melalui soalan 6, perayu-perayu berharap untuk mendapatkan perintah daripada Mahkamah Persekutuan untuk melanjutkan perubahan aliran terkini dalam undang-undang — bahawa ia tidak perlu untuk mempunyai satu lokasi perniagaan dan mempunyai barangan yang dijual dalam satu kawasan tertentu untuk menikmati reputasi di dalam kawasan tersebut — di Malaysia, dengan tidak menghiraukan kes *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 yang diikut oleh Mahkamah Rayuan. Walau bagaimanapun, ia telah diputuskan dalam permohonan-permohonan untuk pendaftaran tanda dagangan, hak pihak-pihak perlu ditentukan semasa tarikh pendaftaran. Oleh itu, walaupun soalan tersebut dijawab dengan berpihak kepada perayu-perayu ia tidak akan memberi bantuan kepada mereka. Memandangkan jawapan kepada soalan tersebut hanya mempunyai nilai akademik, tidak perlu untuk menjawabnya (lihat perenggan 17)

(5) Soalan 7 adalah cacat kerana ia berdasarkan kepada anggapan keadaan yang tidak konsisten dengan dapatan tertentu Mahkamah Rayuan. Soalan tersebut tidak terangkum dalam skop s 96(a) dan tidak perlu dijawab (lihat perenggan 18)]

Notes

For cases on appeal to Federal Court, see 2(1) *Mallal's Digest* (4th Ed, 2007 Reissue) paras 749–756.

Cases referred to

Baskin-Robbins Ice Cream Co v Gutman & Anor [1976] FSR 545, HC (refd)
JC Penney Co Inc v Punjabi Nick [1979] FSR 26, SC (refd)
Jellinek's Application (1946) 63 RPC 59, HC (refd)
Joceline Tan Poh Choo & Ors v V Muthusamy [2008] 6 MLJ 621, FC (folld)
Lim Yew Sing v Hummel International Sports & Leisure A/S [1996] 3 MLJ 7, CA (refd)
Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd [1979] RPC 410 (refd)
Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd (1953) 91 CLR 592, HC (refd)
Tan-Ichi Co Ltd v Jancar Ltd & Ors [1990] FSR 151, SC (refd)

Legislation referred to

Courts of Judicature Act 1964 s 96(a)
Trade Marks Act 1976 ss 3, 10, 14, 14(1)(a), (d), 19, 19(3), 20, 70(B)

Appeal from: Civil Appeal No W-02–563 of 1998 (Court of Appeal, Putrajaya)

Ambiga Sreenevasan (Wee Choo Keong and Janini Rajeswaran with him) (Wee Choo Keong & Faaiz) for the appellants.
SF Wong (S Indran and Chew Chui Yiang with him) (Shearn Delamore & Co) for the respondent.

Augustine Paul FCJ (delivering judgment of the court):

[1] This appeal highlights the nature and manner in which questions ought to be framed for the purpose of an appeal to this court pursuant to s 96(a) of the Courts of Judicature Act 1964 ('s 96(a)').

[2] The first plaintiff is a company established in Japan since 1885 and is involved in a variety of businesses which includes the manufacture and sale of various types of food like biscuits, cakes, pastries and other food products and liquor. The second plaintiff was incorporated in Malaysia on

23 November 1987 and is a subsidiary of the first plaintiff. The first defendant is a company based in Kuala Lumpur and is involved in, inter alia, the manufacture, sale and distribution of bread, cakes and other confectionaries since late 1986. The plaintiffs and the first defendant made separate applications to the Registrar of Trademarks Malaysia for the registration of their trademarks. By its application bearing No 86/05265 (exh D47) dated 10 December 1986 the first defendant applied for the registration under class 30 as its own a trademark and trade name 'MEIDI-YA FRESH BAKERY' together with the logo showing stalks of wheat being blown in the wind with the word 'Meidi-ya' in small letters and the words 'FRESH BAKERY' in capital letters. On 24 November 1987 and 11 December 1987 the second plaintiff filed several application under different classes for the registration as its own of the trademark 'MEIDI-YA'. It did not have the stalks of wheat and was in romanised alphabets as well as in Kanji characters. The relevant applications are those bearing Nos 87/05653 under class 29 (exhs 46A and P15), 87/05656 under class 30 (exh 46C), 87/05659 under class 32 (exh P13) and 87/05937 under Class 30 (exh P17). In the case of No 87/05937 (exh P17) the trademark applied for carried the words 'MEIDI-YA FRESH BAKERY'. The words are in capital letters with the words 'FRESH BAKERY' added but without the stalks of wheat being blown in the wind.

[3] The registrar of trademarks found the applications to be competing with each other. On 15 September 1992 he directed the parties under s 19(3) of the Trade Marks Act 1976 ('the Act') to have their rights determined by the court. The claim of the plaintiffs in the High Court was met with a counterclaim by the first defendant. Having heard both the parties the learned High Court judge said in his judgment:

> The first defendant applied to the registrar of trademarks for the registration of the trademark and logo as in exh D47. This was to have the trademark and trade name 'Meidi-ya Fresh Bakery' registered in its favour. Subsequently the second plaintiff applied for the registration of the trade mark and trade name 'Meidi-ya' in romanised alphabets as well as in Kanji characters to be registered. Faced with these competiting applications, the registrar took the avenue out of his predicament which was provided under s 19 of the Trade Marks Act 1976 by referring this matter to court for determination.
>
> The trial of this case has been protracted owing to the number of witnesses involved as well as the fact that witnesses have come from Japan as well as from Singapore together with the fact that interpreters in the Japanese language have also had to be used. It is not my intention at this juncture to go into a detailed examination of the evidence that was adduced. However, I will in short state all findings of facts based on the evidence as analysed because of the different approaches taken in the presentation of the evidence by the parties.
>
> Having said that, it is my finding of fact that the first plaintiff has been a long user of the Meidi-ya trademark and trade name together with the distinctive logo in the form of the Kanji characters, in Japan as well as in other parts of the world. It is

also my finding of fact that the first defendant decided to open up its bakery and confectionery business in Malaysia and for this purpose it formed Meidi (M) Sdn Bhd. The business interests behind it is in the evidence. However, the history behind the formation and the adoption of the Meidi-ya trademark and trade name by the first defendant is not accepted in the light of the evidence adduced. The court finds it difficult to accept the evidence of the first subscriber who said that he based his choice of the name Meidi-ya upon, and because of its resemblance to, his father's name. Unschooled and untrained as my ear is to the pronouncement of the name in question in its original form, it was obvious to me from hearing the witness with the name being enunciated in court that that name as enunciated was a far cry from the enunciation of Meidi-ya.

Having said that, the question is what are the orders that the court should make in relation to the claim and counterclaim. It is also clear to the court that the plaintiffs took a considerable period of time in applying to have their trademark and trade name registered locally despite having become aware of what the first defendant had done. In the meantime the first defendant had expended sums of money and expanded its business. It has become a thriving business as a result.

In these circumstances and having regard to the ambit and operation of s 20 of the Trade Marks Act 1976, the court rules as follows in respect of the prayers sought by the plaintiffs in relation to their claim and by the first defendant in relation to its will, in toto, take the place of the prayers sought by the parties:

1. In relation to the plaintiffs' claim, subject to the declarations and order hereunder in respect of prayers (a), (b)(i) and (b)(ii)(A) in respect of the first defendant's counterclaim, there shall be:

   (a) a declaration that the first defendant's application No 86/05265 for the registration of thetrade mark as specifically reproduced therein shall not be registered as a trademark as so reproduced as the use of it is likely to deceive or cause confusion to the public and is accordingly prohibited under s 14(a) of the Trade Marks Act 1976;

   (b) a declaration that the second plaintiff's application Nos 87/05653, 87/05655, 87/05656, 87/05658, 87/05659 and 87/05661 with the name and trade mark 'MEIDI-YA' in romanised alphabets and in Kanji characters, and with the addition thereto of the distinctive Meidi-ya logo, belong to the plaintiffs, and that the plaintiffs, through the second plaintiff, are the lawful claimants entitled to file for registration of the said trade name, trademark and logo under s 25 of the Trade Marks Act 1976;

   (c) an order directed to the second defendant, the Registrar of the Trade Marks Malaysia, to forthwith proceed with the processing of the second plaintiff's application Nos 87/05653, 87/05655, 87/05656, 87/05658, 87/05659 and 87/05661 and thereafter, subject to there being no formal opposition thereto and

satisfaction of all other requirements and conditions for registration, to grant the second plaintiff the registration certificates therefore.

2. In relation to the first defendant's counterclaim, subject to the declarations and order in respect of the plaintiffs' claim, there shall be;

(a) a declaration that the second plaintiff's application No 87/05937 for the registration of the trademark as specifically reproduced therein shall not be registered as a trademark as so reproduced as the use of it is likely to deceive or cause confusion to the public and is accordingly prohibited under s 14(a) of the Trade Marks Act 1976;

(b) a declaration that the name and trademark 'Meidi FRESH BAKERY' or, at the election of the first defendant, 'Meidi (M) FRESH BAKERY' together with the logo/design depicting stalks of wheat being blown in the wind belong to the first defendant and that the first defendant is the lawful claimant entitled to file for registration of the said trade name and trademark and companying logo/design under s 25 of the Trade Marks Act 1976;

(c) an order directed to the second defendant, the registrar of trademarks Malaysia, to forthwith proceed with the processing of the first defendant's application No 86/05265 as amended/modified above and thereafter, subject to there being no formal opposition thereto and satisfaction of all other requirements and conditions for registration, to grant the first defendant the registration certificate therefore.

3. Each party shall bear its own costs.

4. The parties shall be at liberty to apply to give effect to the declarations and orders made herein.

[4] In substance therefore the High Court had allowed the registration of exh D47 as the trademark and trade name of the first defendant but with the stipulation that the word 'Ya' after the word 'Meidi' be not used. The addition of the words 'FRESH BAKERY" was allowed with the logo depicting stalks of wheat being blown in the wind. The second plaintiff was prohibited from registering exh P17 which proposed the use of the words 'MEIDI-YA FRESH BAKERY' as its trademark.

[5] The first defendant appealed to the Court of Appeal while the plaintiffs cross-appealed. Richard Malanjum JCA (as he then was) in writing for the Court of Appeal said in his judgment:

[27] Basically the core of the contention advanced before us for the first defendant is that the first defendant was the first in time to use the trademark and trade name in Malaysia. It was submitted that the first defendant started to use the trademark and name as early as 1986 when the second plaintiff was not even incorporated. It was for the second plaintiff to adduce evidence of its first to use the trademark in Malaysia. The fact that the first plaintiff might have used the same trademark in Japan and elsewhere would not affect the application by the first defendant as the Act is territorial in its application. The case of *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 was cited in support.

[28] It was also submitted that since the first defendant had the first use of the trademark in Malaysia the plaintiffs should not have the concurrent usage of the same trade mark. And being the first in filing for registration of trade mark as well as having the prior use of the trademark the Malaysian public has associated it with the first defendant. Usage by the first defendant would not result in confusion and deception. What should be considered should be the mark only as reproduced without any Kanji character. Indeed the prior usage of the trademark by the first defendant entitled it to claim its proprietorship under s 25 of the Act. Meanwhile the plaintiffs failed to adduce any cogent evidence of their use of the trademarks in relation to the goods of interest including bread and pastry in Malaysia before the use by the first defendant in 1986.

[ ] ...

[31] The first learned counsel for the plaintiffs agreed with the first user principle of law in trademark dispute. However she submitted that the first plaintiff is the rightful owner of the trademark in issue and entitled to commence action for passing off. Notwithstanding, learned counsel conceded the need to show first user in Malaysia in order to succeed. Reference was then made that there was no challenge by the first defendant to the evidential assertion by the plaintiffs that the trademark was already in use in Malaysia in 1982. Learned counsel insisted that the evidence showed of the availability of customers, small in number it might have been but sufficient in law, of the first plaintiff in Malaysia even before 1986. The cases of *RH Macy & Co Inc v Trade Accents* [1992] 1 SLR 581; *Compagnie General Des Eaux v Compagnie Generale Des Eaux Sdn Bhd* [1993] 1 MLJ 55 were cited. And it was contended that to allow the application by the first defendant would create confusion in the mind of customers since its proposed trademark would not be distinguishable from that of the plaintiff's.

[ ] ...

A [36] In his oral ground of judgment the learned trial judge found that the first plaintiff was a long user of the Meidi-ya trademark and trade name together with the distinctive logo in the form of Kanji characters in Japan and other parts of the world.

B [37] However, the learned trial judge did not make any specific finding on the usage of the trademark and trade name in Malaysia on or before 1986 although he had the advantage of hearing the various oral testimonies of witnesses called by both sides in addition to the documentary evidence produced before him.

C [38] Hence, the logical and reasonable conclusion is that he was not convinced with and declined to accept any of the evidence on the usage of the trademark and trade name by the first plaintiff in Malaysia on or before 1986.

D [39] In other words there was therefore no finding of first user of the trademark and trade name by the plaintiffs in Malaysia on or before 8 December 1986.

[ ] ...

E [41] On our part and in view of the absence of specific and clear finding by the learned trial judge on the first user issue we proceeded therefore to peruse the evidence made available to the learned trial judge.

[42] With respect, we are of the view that the plaintiffs failed to show that
F it was the first user of the trademark and trade name in Malaysia on or before 1986 (the material date). In the same way as probably the learned trial judge was not convinced on the balance of probability of the evidence adduced by the plaintiffs on first user claim we are equally not persuaded that the plaintiffs had made out their case up
G to the standard of proof required. The fact that the same was used in Japan and in other parts of the world is immaterial for 'trade mark law is very territorial in many aspects' (see *Lim Yew Sing v Hummel International Sports & Leisure A/S*).

H [ ] ...

[45] Indeed from the evidence adduced it is not in dispute that the second plaintiff was only incorporated on 23. November 1987 which means that it was not even in existence when the first defendant began to use its trademark and trade name in late 1986. Further, it was not in
I contention that the second plaintiff was just the subsidiary of the first plaintiff.

[ ] ...

[47] Accordingly for the foregoing reasons we find no basis to deprive the first defendant of its right to apply to have its trademark and trade name as reproduced in its application No 86/05265 (exh D47) it being the first user of such trademark and trade name in Malaysia.

[ ] ...

[75] In the present case it is the contention of the plaintiffs that the word 'Meidi-Ya' has been associated with the first plaintiff for a long time. Hence, any use of the word would be likely to cause confusion and deception on their customers. However, in our view that may be right in Japan and elsewhere but not in Malaysia.

[76] We would think that the term used by the first defendant, namely, 'Meidi-Ya FRESH BAKERY' should be read and considered as a whole. If that is done the likelihood of confusion and deception should not arise. We find similarity in this case to that of the Canadian case where the court did not find the necessity to continue the ex parte injunction given to the plaintiff which used the words 'Kopy Kwik Printing' for its copying and duplicating business to restrain the defendant from using the words 'Kwik-Kopy Printing' (see *Ancona Printing Ltd v Kwik-Kopy Corp* [1973] CPR (2d) 122).

[77] Accordingly, we do not think the plaintiffs have adduced sufficient evidence to establish the element of misrepresentation.

[ ] ...

[81] Hence, in respect of its claim for passing off against the plaintiffs we find that not much evidence was adduced by the first defendant on the essential elements to substantiate its claim. At any rate in view of our suggested approach to the trademark and trade name of 'Meidi-Ya FRESH BAKERY' as used by the first defendant, that is, to read and give effect to it as a whole instead of just and only the word 'Meidi-Ya', the question of misrepresentation, confusion or deception should not arise.

[ ] ...

[83] In conclusion we therefore say this. We allow the appeal by the first defendant against the order of the learned trial judge prohibiting it from using exh D47 in exercise of its right to apply for registration of its trademark and trade name pursuant to s 25 of the Act simply because the evidence adduced supported, on the balance of probability, the finding that it was the first user of the name 'Meidi-Ya FRESH BAKERY' with the logo of stalks of wheat being blown in the wind in Malaysia.

A [84] And for the reason above we affirm the decision of the learned trial judge to disallow the second plaintiff from using the trademark and trade name as indicated in exh P17 when exercising its right to apply for registration under the Act.

B [85] As regards the other applications of the plaintiffs which the learned trial judge allowed to be used we affirm that order.

[86] We find no merit in the objection by the first defendant for the second plaintiff to use such trademark and trade name since it only involves the use of the word 'Meidi-Ya' without the word 'FRESH BAKERY' and the stalks of wheat being blown in the wind. Further, they are applied in different classes under the Act. Thus, in our view there are more than sufficient distinguishing features between the two trademarks and trade names.

D [87] More so when the first defendant is not using the Kanji character in its trademark and trade name. We do not think deception and confusion as envisaged in s 19(3) of the Act could arise in this case.

[88] Accordingly we hereby order as we did when we made our decision E on 28 October 2005.

[6] The orders made by the Court of Appeal are in the following terms:

F A

(1) In respect of the appeal vis-à-vis the judgment we allow the appeal against the order 1(a) in that it is set aside. We also allow the appeal against the order 2(b) in that it is wholly deleted and substituted therefore with the following, to read:

G

(b) a declaration that the name and trademark 'Meidi-Ya' together with the accompanying words 'FRESH BAKERY' and the logo/design depicting stalks of wheat being blown in the wind as per the first defendant's application No 86/05265 belong to the H first defendant and that the first defendant is the lawful claimant entitled to file for registration of the said trade name and trademark and accompanying logo/design under s 25 of the Trade Marks Act 1976.

I Accordingly we also allow the appeal against the order 2(c) to the extent that the first defendant's application No 86/05265 is to remain unamended for consideration.

(2) The first defendant's appeal against order 1(b) and (c) is dismissed. In effect we affirm order 1(b) and (c) except for a minor correction

of the name and trademark 'Meidi-ya' to be written in bold capital letters as in the respective applications.

(3) Order 2(a) is also affirmed.

B

1. In respect of the cross-appeal by the plaintiffs we dismiss it.

C Each party is to pay its own costs here and below.

D Deposits paid to be refunded to the respective parties.

[7] Thus the Court of Appeal allowed application No 86/05265 (exh D47) by the first defendant to be considered for registration as its trademark and trade name by the registrar of trademarks without the modification as ordered by the High Court. The court agreed with the other orders made by the High Court except for a correction requiring the word 'MEIDI-YA' to be in capital letters.

[8] The plaintiffs (the appellants in this court) then applied for leave to appeal to this court pursuant to s 96(a). The section reads as follows:

> Subject to any rules regulating the proceedings of the Federal Court in respect of appeals from the Court of Appeal, an appeal shall lie from the Court of Appeal to the Federal Court with the leave of the Federal Court —
>
> (a) from any judgment or order of the Court of Appeal in respect of any civil cause or matter decided by the High Court in the exercise of its original jurisdiction involving a question of general principle decided for the first time or a question of importance upon which further argument and a decision of the Federal Court would be to public advantage.

[9] It is perhaps necessary to refer to *Joceline Tan Poh Choo & Ors v V Muthusamy* [2008] 6 MLJ 621 where this court in reviewing s 96(a) said as follows (at pp 631–634):

> In commenting on the criteria to be satisfied in an application for leave to appeal under s 96(a) Edgar Joseph Jr FCJ said in *Datuk Syed Kechik bin Syed Mohamed & Anor v The Board of Trustees of the Sabah Foundation & Ors* [1999] 1 MLJ 257 at p 265:
>
> > To sum up, without prejudice to the generality of what we have thus far said, the Federal Court exercises its sensitive power to grant leave to appeal in civil cases sparingly and will not grant such leave unless *both* of the following criteria are satisfied by an intending appellant:

(1) the judgment of the Court of Appeal has raised a point of general principle *which the Federal Court has not previously decided* or a point of importance upon which further argument and a decision of the Federal Court would be to public advantage; and

(2) if the point is decided in favour of the intending appellant, there is a prima facie case for success in the appeal.

(Emphasis added.)

It must be observed, and with respect, that the use of the words '... which the Federal Court has not previously decided …' in criterion (1) may not be an accurate representation of s 96 (a). An analysis of the section will make this clear. It contains two circumstances in which an appeal may be made to this court. They are:

Limb (a)

A question of general principle decided for the first time

It is obvious that this is a reference to a decision of the Court of Appeal for the first time on a question of general principle. As s 96(a) deals with appeals from the Court of Appeal to the Federal Court the word '… decided …' in s 96(a) refers to a decision that has already been made. The use of the word in the past tense makes this manifestly patent. A decision that has been made can only be a reference to a decision of the Court of Appeal.

Limb (b)

A question of importance upon which further argument and a decision of the Federal Court would be to public advantage

This limb is an unambiguous reference to an issue upon which there have been two or more previous decisions of the Court of Appeal. This is made clear by the purpose of limb (a) and the language of this limb itself. A reference to further argument and the fact that a decision of the Federal Court would be to public advantage has in contemplation two or more previous decisions of the Court of Appeal on the same issue which are, for example, in conflict or are wrong or made in ignorance of a binding precedent or made in following a decision of the Federal Court which is vague or wrong. Such a situation would create confusion to the public in the application of the legal principle involved to their affairs. In that event further argument and a decision of the Federal Court on the issue involved would be to public advantage as the confusion would be resolved.

It is thus clear that both limb (a) and limb (b) are separate and as they cater for two distinct circumstances they are mutually exclusive. It is now appropriate to consider the use of the words '… which the Federal Court has not previously decided …' referred to earlier in the passage from *Datuk Syed Kechik bin Syed Mohamed & Anor v The Board of Trustees of the Sabah Foundation & Ors* [1999] 1 MLJ 257 in limb (a). It will be recalled that the reference in that limb to the decision made for the first time is to that of the Court of Appeal. It is true that the fact that the Federal Court has not previously decided on a point may mean

that it is also the first time that the Court of Appeal has decided on the point as contemplated by limb (a). But, unfortunately, it can also mean that the Court of Appeal has decided on the point previously and that the Federal Court has not decided on it yet thereby making it a case upon which the Federal Court has not previously decided. It is clear by now that limb (b) becomes relevant only when there are two or more decisions of the Court of Appeal on a certain point. Thus the use of the words '… which the Federal Court has not previously decided …' in limb (a) in *Datuk Syed Kechik bin Syed Mohamed & Anor v The Board of Trustees of the Sabah Foundation & Ors* [1999] 1 MLJ 257 will create confusion in the proper meaning to be accorded to both the limbs. They ought to be replaced with the words '… decided by the Court of Appeal for the first time …' as contemplated by s 96 (a). That will remove any confusion that may arise and, additionally, bring into proper focus the underlying distinction between both the limbs.

In an application for leave to appeal an intending appellant must identify the proper limb under which his case falls and address the arguments accordingly.

The next matter for consideration is whether the point if decided in favour of the intending appellant will show that there is a prima facie case for success in the appeal. This would depend on the issue to be raised in the appeal and, thus, on the nature and manner in which the question for appeal is framed. It must be so couched as to incorporate a point of law which has the effect of reversing findings made against the intending appellant without any further evaluation of the evidence. This in turn means that the answer given to the question must be such that it has the effect of reversing the judgment. It is only then that the question of success in the appeal can arise. It must be remembered that the very object of making appeals to this court subject to leave is to prevent frivolous and needless appeals (see *Kredin Sdn Bhd v OCBC Bank (M) Bhd* [1998] 3 MLJ 78). Leave to appeal on a proposed question will therefore not be granted if there is no hope of success (see *Beatrice a/p AT Fernandez v Sistem Penerbangan Malaysia & Ors* [2005] 3 MLJ 681). This is logical. If the answer to the proposed question is obvious in the sense that it will not be in favour of the intending appellant there will be no basis for a prima facie case for success in the appeal. Where a decision depends on the application of a well-established principle to an individual set of facts, a further appeal to the Federal Court will be of no utility if it will do nothing to clarify or refine the principle, so as to make it applicable to other situations in the future (see *Datuk Syed Kechik bin Syed Mohamed & Anor v The Board of Trustees of the Sabah Foundation & Ors* [1999] 1 MLJ 257). The question posed must relate to a matter in respect of which a determination has been made by the Court of Appeal as otherwise it will be academic (see *The Minister for Human Resources v Thong Chin Yoong and another appeal* [2001] 4 MLJ 225 and *Raphael Pura v Insas Bhd & Anor* [2003] 1 MLJ 513). It follows that a question cannot be based on an assumption that a finding has been made in respect of it when, as a matter of fact, no such finding has been made. However, a new point of law can be raised if all the facts necessary to support it have been raised in the Court of Appeal (see *Lim Geak Liang v East West UMI Insurance Bhd* [1997] 3 MLJ 517). Needless to say, the parties may by consent reframe or amend the question at the hearing stage of the appeal with the

approval of the Court as demonstrated in *The Board of Trustees of the Sabah Foundation & Ors v Datuk Syed Kechik bin Syed Mohamed & Anor* [2008] 5 MLJ 469.

The corollary is that if there is no prospect of success in the appeal the position of the appellant will not be affected and it would be pointless hearing the appeal. In *Sun Life Assurance Co of Canada v Jervis* [1944] 1 All ER 469 Viscount Simon LC said at p 470:

> I do not think that it would be a proper exercise of the authority which this House possesses to hear appeals if it occupies time in this case in deciding an academic question, the answer to which cannot affect the respondent in any way. If the House undertook to do so, it would not be deciding an existing *lis* between the parties who are before it, but would merely be expressing its view on a legal conundrum which the appellant hopes to get decided in its favour without in any way affecting the position between the parties.

In *Loknath Padhan v Birendra Kumar Sahu* AIR 1974 SC 505 Bhagwati J said at p 508:

> If an issue is purely academic in that its decision one way or the other would have no impact on the position of the parties it would be waste of public time and indeed not proper exercise of authority for the court to engage itself in deciding it. … It would be clearly futile and meaningless for the court to decide an academic question, the answer to which would not affect the position of one party or the other. The court would not engage in a fruitless exercise. It would refuse to decide a question, unless it has a bearing on some right or liability in controversy between the parties. If the decision of a question would be wholly ineffectual so far as the parties are concerned, it would be not only unnecessary and pointless but also inexpedient to decide it and the court would properly decline to do so.

Thus this court has the power to decline to answer questions posed in appropriate instances in spite of the fact that leave to appeal had been granted with the result that the appeal must be dismissed without a consideration of its merits. This is demonstrated by cases such as *The Minister for Human Resources v Thong Chin Yoong and another appeal* [2001] 4 MLJ 225, *Raphael Pura v Insas Bhd & Anor* [2003] 1 MLJ 513, *Sri Kelangkota-Rakan Engineering JV Sdn Bhd & Anor v Arab-Malaysian Prima Realty Sdn Bhd & Ors* [2003] 3 MLJ 257, *Perwira Affin Bank Bhd v Lim Ah Hee @ Sim Ah Hee* [2004] 3 MLJ 253 and *Tan Heng Chew & Ors v Tan Kim Hor & Ors* [2006] 5 MLJ 313.

[10] The questions as reframed by the parties by consent for determination at the hearing of the appeal are as follows:

(1) Whether the use of the name and trademark 'Meidi-Ya' by the appellants in Malaysia entitled them to sole ownership of the said trademark.

(2) Whether the respondent ought in law to have been allowed to register Trade Mark Application No 86/05265 comprising the trademark 'Meidi-Ya' in a stylised font in light of ss 3, 10 and 14(1)(a) of the Trade Marks Act 1976 and the legislative intent of maintaining the purity of the register of trademarks.

(3) Whether having found that the appellants are entitled to register Trade Mark Application Nos 87/05653, 87/05655, 87/05656, 87/05658, 87/05659 and 87/05661 comprising the trademarks 'Meidi-Ya' and are thereby owners thereof in Malaysia, it is permissible in law to have allowed the respondent to register Trade Mark Application No 86/05265 which comprises the 'Meidi-Ya' trademark (albeit in a different font).

(4) Whether the respondent ought in law to have been allowed to register Trade Mark Application No 86/05265 comprising the trademark 'Meidi-Ya' in a stylised font in light of s 14(1)(d) and s 70B of the Trade Marks Act 1976.

(5) Whether in light of the legislative intent of maintaining the purity of the register, the name of the applicant in the second appellant's trade mark applications may be substituted with the name of the first appellant, being the lawful proprietor of the trademarks 'Meidi-Ya' in Malaysia and thus the rightful applicant and registrant.

(6) Whether in determining the ownership of a trademark or the goodwill and reputation in a business as identified by a trademark in Malaysia today, consideration solely of the international reputation and/or 'spillover reputation and goodwill' of the appellants is sufficient.

(7) Whether it is permissible under the law of passing off, for two separate and independent parties to use a trademark in Malaysia comprising an identical essential feature and/or features which are confusingly similar in respect of the same description of goods in circumstances, when one had commenced use prior to the other and/or where there is a likelihood of confusion.

[11] The respondent cross-appealed and relied on question Nos 1, 2, 3, 6 and 7 as listed above.

[12] During the hearing of the appeal the appellants abandoned question Nos 4, 5 and 7. The remaining questions will now be considered.

Question No 1

Whether the use of the name and trademark 'Meidi-Ya' by the appellants in Malaysia entitled them to sole ownership of the said trademark

[13] The Court of Appeal had made its finding of fact, after a review of the evidence adduced in the High Court and the submission of learned counsel on the concept of small use, that the appellants were not the first users of the trademark 'Meidi-Ya' in Malaysia. This is reflected in paras 31, 42, 45 and 47 of the judgment of the Court of Appeal reproduced earlier. As it is in apparent by now the determination that has been made is contrary to what is stated in the question. Thus this question and the submission advanced by learned counsel in support of it in effect seeks a reversal of the finding of fact made by the Court of Appeal and for this court to substitute it with its own finding of fact on the use of the trademark by the appellants with the resultant consequential orders. This will result in a complete re-hearing of the appeal and will be a blatant disregard of s 96(a). As stated earlier the question posed must be so couched as to incorporate a point of law which has the effect of reversing findings that had been made without any further evaluation of the evidence. It is the answer to that question which must have the effect of reversing the finding on first user made by the Court of Appeal and not the result of a review of the finding that had already been made. In addition, the question is based on an assumption that the appellants were the first users of the trademark 'Meidi-Ya'. The question posed must relate to a matter in respect of which a determination has been made by the Court of Appeal as otherwise it will be academic. That is not the position here. Accordingly, the question is academic and does not come within the meaning of s 96(a). Thus it need not be answered.

Question No 2

Whether the respondent ought in law to have been allowed to register Trade Mark Application No 86/05265 comprising the trademark 'Meidi-Ya' in a stylised font in light of ss 3, 10, and 14(1)(a) of the Trade Marks Act 1976 and the legislative intent of maintaining the purity of the register of trademarks

[14] This question suffers from the same defect as question No 1. The Court of Appeal had found that the appellants had failed to show that they were the first users of the trademark on or before 1986 and that the second appellant was incorporated only on 23 November 1987. Thus the second

appellant, having been incorporated on 23 November 1987, was not even in existence when the respondent began to use its trademark in late 1986. Accordingly, the Court of Appeal found no basis to deprive the respondent of its right to apply to have its trademark in Application No 86/05265 (exh D47) registered as it was the first user of the trademark. See paras 40, 42, 45 and 47 of the judgment of the Court of Appeal reproduced earlier. In this question, as in the case of question No 1, the appellants are attempting to reverse the findings of fact of the Court of Appeal by seeking a review of them by this court. Thus, this question also does not come within the meaning of s 96(a) and it need not be answered.

Question No 3

Whether having found that the appellants are entitled to register Trade Mark Application Nos 87/05653, 87/05655, 87/05656, 87/05658, 87/05659 and 87/05661 comprising the trademarks 'Meidi-Ya' and are thereby owners thereof in Malaysia, it is permissible in law to have allowed the respondent to register Trade Mark Application No 86/05265 which comprises the 'Meidi-Ya' trademark (albeit in a different font)

[15] In order to appreciate this question it is necessary to be reminded of the facts of the case afresh. The Court of Appeal had found as a fact that the appellants had failed to establish that they were the first users of the trade name at the material date. On the other hand it was held that the evidence adduced supported, on the balance of probability, the finding that it was the respondent who was the first user of the name 'Meidi-Ya FRESH BAKERY' with the logo of stalks of wheat being blown in the wind. Accordingly, the learned High Court judge's order disallowing the registration of Application No 86/05265 (exh D47) was reversed. It was for this reason that the decision of the learned High Court judge to disallow the second appellant from using the name as indicated in Application No 87/05937 (exh P17) was affirmed. The other orders made by the learned High Court judge in respect of Application Nos 87/05653, 87/05655, 87/05656, 87/05658, 87/05659 and 87/05661 by the second appellant were also affirmed. The second appellant was allowed to use its trade name in these applications despite objections by the respondent since it only involved the use of the word 'Meidi-Ya' without the word 'FRESH BAKERY' and the logo of stalks of wheat being blown in the wind. It was held that there were more than sufficient distinguishing features between the two trademarks and trade names. See paras 76, 81, 83, 84, 85 and 86 of the judgment of the Court of Appeal reproduced earlier. It is obvious that the initial and first order made by the Court of Appeal was in respect of Application No 86/05265 (exh D47). The other orders made were in consequence of this order.

[16] This question is so worded as to convey the impression that it is Application Nos 87/05653, 87/05655, 87/05656, 87/05658, 87/05659 and 87/05661 which were approved first followed by Application No 86/05265 (exh D47). It is this difference in timing that forms the basis of the question. However, it is patent from the judgment of the Court of Appeal that it was Application No 86/05265 (exh D47) that was approved first based upon which the other orders were made. If the question is re-worded to reflect the correct sequence in which the orders were made the object of the question will be defeated. Thus the question as it stands does not flow from the judgment or order of the Court of Appeal and is therefore irregular. Be that as it may, the question as it stands is also very general in nature. Basically it seeks to ascertain the legality of allowing the use by two entities of the same trademark though with some difference. This can arise in various instances as illustrated, inter alia, by ss 10, 14, 19 and 20 of the Act. The generality of the language of the question imposes a burden on the court to ascertain the reason for which the same trademark was allowed to be used by the two entities and decide on their legality. Alternatively, it requires this court to ignore the reasoning of the Court of Appeal in having made the order and proceed on its own to make a decision afresh. The question ought to have been so worded that it is specific and precise to reflect the reason or ground upon which the orders were made by the Court of Appeal and the point of law involved which has the effect of invalidating the reason or ground. It is only then that the question can be said to be the basis of an appeal from the judgment or order of the Court of Appeal within the meaning of s 96(a). In the circumstance this question does not come within the scope of s 96(a) and it need not be answered.

Question No 4

This question has been withdrawn by both parties.

Question No 5

This question has been withdrawn by both parties.

Question No 6

Whether in determining the ownership of a trademark or the goodwill and reputation in a business as identified by a trademark in Malaysia today, consideration solely of the international reputation and/or 'spillover reputation and goodwill' of the appellants is sufficient

[17] Learned counsel for the appellants submitted that there is an international spill over reputation and goodwill of the appellants' trade name into Malaysia and that it ought to have been taken into consideration by the

Court of Appeal in determining whether the respondent could register its trademark. Some Commonwealth jurisdictions have taken the view that it is not necessary to have a place of business and to have goods sold in a particular territory in order to enjoy reputation in the said territory which will be protected under the tort of passing off (see for example, *Tan-Ichi Co Ltd v Jancar Ltd & Ors* [1990] FSR 151, *JC Penney Co Inc v Punjabi Nick* [1979] FSR 26; *Baskin-Robbins Ice Cream Co v Gutman & Anor* [1976] FSR 545 and *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1979] RPC 410). Learned counsel for the respondent submitted that the issue is whether this development in the law should be a recognised right in Malaysia. He referred to *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 where the Court of Appeal held that trademark rights are territorial in nature and foreign use and goodwill would not be material to the consideration of rights in Malaysia. It is against this background that the language employed in the question requires careful scrutiny. The use of the word '… today …' in the question is significant. Quite obviously the appellants are seeking to get a ruling from this court to extend the current changing trend in the law to Malaysia thereby ignoring *Lim Yew Sing* which was followed by the Court of Appeal in this case. See para 42 of the judgment of the Court of Appeal reproduced earlier. However, it has been held that in applications for the registration of a trademark, the rights of the parties are to be determined as at the date of the application (see *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1953) 91 CLR 592, *Jellinek's Application* (1946) 63 RPC 59 and *Pioneer Hi-Bred Corn Co*). It follows that even if the answer to the question is in favour of the appellants it would be of no assistance to them. As the answer to the question will be only of academic value it need not be answered.

Question No 7

Whether it is permissible under the law of passing off, for two separate and independent parties to use a trademark in Malaysia comprising an identical essential feature and/or features which are confusingly similar in respect of the same description of goods in circumstances, when one had commenced use prior to the other and/or where there is a likelihood of confusion

[18] This question is anchored on two trademarks which '… are confusingly similar ...' and/or '... where there is a likelihood of confusion'. These are matters that have been assumed to be so for the purpose of the question. However, the finding of the Court of Appeal is that if the name 'Meidi-Ya FRESH BAKERY' is read and considered as a whole instead of just only the word 'Meidi-Ya' the question of misrepresentation, confusion or deception should not arise. See paras 76 and 81 of the judgment of the Court of Appeal reproduced earlier. The question is therefore defective as it is based

on an assumed state of affairs which is inconsistent with a specific finding of the Court of Appeal. As stated earlier the question posed must relate to a matter in respect of which a determination has been made as otherwise it will be academic. It follows that this question does not come within the scope of s 96(a) and it need not be answered.

[19] The conclusion is that all the questions posed are defective. They need not be answered by this court. My learned brothers Arifin Zakaria CJM and Zulkefli Ahmad Makinudin FCJ have expressed their agreement with this judgment.

[20] In the upshot the appeal and the cross-appeal are dismissed. Each party is to bear its own costs.

Appeal and cross-appeal dismissed.

Reported by Andrew Christopher Simon